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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 9, 2012

Certified Return Receipt Requested
7004 1160 0003 0191 8762

Todd Wilhite
Wall & Rock Inc.
P.O. Box 826
Pleasant Grove, Utah 84052-0826

Re: Review of Mine Site and File, Wall and Rock, Inc., Gulch Mine, S/023/0087, Juab County, Utah

Dear Mr. Wilhite:

On March 29, 2012, Wayne Western of the Division of Oil, Gas and Mining inspected the Gulch mine. The Notice of Intention to Commence Small Mining Operations (NOI), the bond, permit fees and other items were also reviewed as part of the inspection.

1. Updated NOI and Reclamation Contract

The NOI needs to be updated with current ownership information. The NOI still lists Wilhite & Associates, Inc., as the permittee, and the contact information is out of date. The reclamation contract is also out of date because it lists Wilhite & Associates, Inc., as the permittee. Enclosed are the NOI forms and reclamation contract. Please fill out these forms and return them to the Division no later than May 15, 2012.

2. Annual Report and Permit Fee

The Division has no record of ever receiving an annual report for the Gulch mine. Please fill out the form—at least for 2011—and return it.

The annual permit fees were not paid for 2012; please submit the fee of \$150.00. No fees were due in 2011 because of a rule change, and all previous fees have been paid. Please provide the fee and the annual report by May 15, 2012.



Page 2 of 2
Todd Wilhite
S/023/0087
April 9, 2012

3. Cleanup Work

Thank you for removing the old trucks that were on the site a year ago, but the site now contains trash and a pile of tires that need to be cleaned up. These are considered a reclamation liability and need to be removed by May 15, 2012.

4. Status Update

In accordance with rule R647-3-113.3, please provide the following information by May 15, 2012:

- The last time production occurred at the mine,
- When future mining is expected to commence.

The Division may require complete reclamation of a mine after five years of continued inactivity, and no mining has been documented at the site since 2006. The Division does not normally require reclamation unless the reclamation surety is outdated or there are environmental or public safety problems.

Thank you for your continued cooperation. I look forward to—hopefully—finalizing the agreement with Boyd Brothersen and completing reclamation work and other issues at Freedom from War and the other sites near Mount Pleasant. Please call me at (801) 538-5261 or Wayne Western at (801) 538-5263 if you have questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B Baker', written over a light blue horizontal line.

Paul B. Baker
Minerals Program Manager

PBB: whw: eb

Enclosed: Inspection Report, Annual Report Form, NOI and Reclamation Contract
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